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INFO RUCNCLS/ALL SOUTH AND CENTRAL ASIA COLLECTIVE
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RUEHBJ/AMEMBASSY BEIJING 6474
RUEHLO/AMEMBASSY LONDON 4158
RUEHMO/AMEMBASSY MOSCOW 2317
RUEHKO/AMEMBASSY TOKYO 5251
RUEKJCS/JOINT STAFF WASHDC
RUEAIIA/CIA WASHDC
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C O N F I D E N T I A L SECTION 01 OF 02 NEW DELHI 003728

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DOE FOR NNSA WILL TOBEY, ADAM SCHEINMAN

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SUBJECT: INDIAN PARLIAMENT ADJOURNS AGAIN OVER NUCLEAR
DEAL; AGREEMENT STILL EXPECTED TO STAND

REF: NEW DELHI 3691

Classified By: PolCouns Ted Osius for Reasons 1.4 (B, D)

¶1. (C) Summary. Both houses of the Indian Parliament were forced to adjourn on August 16 as opposition and Left parties disrupted proceedings, saying Prime Minister Singh had misled Parliament on the civil-nuclear agreement. Indian media reporting on Spokesman Sean McCormack's August 15 statement, reportedly alleging that a nuclear test by India would nullify the deal, caused an uproar with opposition MPs and sent MEA contacts scrambling for damage control. Despite the continued protests, Post continues to anticipate nothing will stop the deal's acceptance. End Summary.

Houses Adjourn For Second Straight Day

¶2. (C) Both the Lok Sabha and Rajya Sabha, India's lower and upper houses of Parliament, adjourned temporarily on August 16, due to disruptions caused by boisterous opposition and Left party members protesting the U.S.-Indo civil-nuclear agreement. The Lok Sabha adjourned twice, while the Rajya Sabha adjourned once for an hour. Protesting Members of Parliament (MPs) stood and shouted that Prime Minister Singh had misled the body on the civil nuclear deal and insisted on an explanation to the nation. They alleged that State Department Spokesman McCormack's August 15 statement in Washington proved the PM had misled the country. The Indian press has reported McCormack as stating that should India conduct a nuclear test, the civil-nuclear deal would be terminated immediately. Despite Speaker Somnath Chatterjee's repeated attempts to appeal to the protesting members' sense of decorum, order could not be restored, a repeat of August 14's raucous proceedings during the Prime Minister's suo moto speech on the deal (reftel).

With Help From Australia, France, Russia, Deal Should Not Be Blocked

¶3. (C) Comment. While seemingly chaotic activities in Parliament continued for the second straight business day,

Post continues to believe the nuclear deal will not be blocked by Parliament, nor will the government accede to the Left and Right's calls to put it to a vote. The caveat here is that the government's coalition partners from the Left, particularly the Communist Party of India-Marxist (CPI-M), strongly opposed to the agreement. CPI-M plans to hold a politburo meeting over the weekend to formalize a position and could still, theoretically, break with the UPA over this deal. Bringing down the government, however, would harm the Left even more than its UPA partner. Communist West Bengal Chief Minister Buddhadeb Bhattacharjee told ConGen Kolkata that PM Singh has asked him to come to New Delhi to mediate with the CPI-M on this issue, an effort to repair damage done by the Prime Minister challenging the Left to formally oppose the deal. The Indian Express subsequently reported on Bhattacharjee's trip, asserting "It's learnt that the Chief Minister, who is on very good terms with the Prime Minister, assured him that things will not go too far." The IE report continued by suggesting that, despite a war of words between CPI-M and the ruling Congress Party, the nuclear deal is more of a 'policy grilling' and not something that will be tested on the floor of Parliament."

14. (C) Comment continued. While the Department Spokesman's alleged comment sparked the opposition, other news today appeared to have the effect of internationalizing the issue. Australian Embassy contacts confirmed Prime Minister Howard called PM Singh August 16 to say that the Australian Cabinet had approved a plan to sell uranium, pending a bilateral agreement. (Embassy sent SCA text of the Australian statement.) After Indian Special Envoy for the nuclear deal Shyam Saran met with Russian Foreign Minister Lavarov in

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Moscow on August 15, Indian press reported Russia will offer strong support in the Nuclear Suppliers Group and offered to build four new reactors at the Koodankulam power plant. These are in addition to the earlier offer from France to expeditiously conclude its own bilateral nuclear agreement with India. All of these developments should provide the GOI sufficient cover for opponents, such as those in CPI-M and the Bharatiya Janata Party (BJP), who argue the U.S.-India civil-nuclear deal is somehow yielding Indian sovereignty to America. End Comment.
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